

Message Text

CONFIDENTIAL

PAGE 01 BAGHDA 00034 150813Z

17

ACTION NEA-09

INFO OCT-01 EUR-12 ISO-00 AEC-05 AID-05 CEA-01 CIAE-00

CIEP-01 COME-00 DODE-00 EB-07 FPC-01 H-01 INR-07

INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03 RSC-01 SAM-01

OES-03 SP-02 SS-15 STR-01 TRSE-00 FRB-01 FEA-01 PA-01

PRS-01 USIA-06 /099 W

----- 033053

R 111009Z JAN 75

FM USINT BAGHDAD

TO SECSTATE WASHDC 1553

INFO AMEMBASSY ABU DHABI

AMEMBASSY BEIRUT

AMEMBASSY JIDDA

AMEMBASSY KUWAIT

AMEMBASSY PARIS

AMEMBASSY TEHRAN

C O N F I D E N T I A L BAGHDAD 0034

E.O. 11652: GDS

TAGS: ENRG, IZ

SUBJECT: CFP OIL PRICE NEGOTIATIONS

1. CFP REPRESENTATIVE JEAN DE MONTAIGUE, WHO IS RESPONSIBLE FOR NEGOTIATING QUARTERLY PRICES UNDER CFP'S 1973 PURCHASE AGREEMENT, RETURNED TO BAGHDAD FOR THIRD TIME IN ONE MONTH. HE TOLD ME JAN 8 THAT CFP AND GOI HAVE NOT YET AGREED ON FIRST QUARTER PRICE, PRINCIPALLY BECAUSE OF LOW TANKER RATES. HE SAID AS FAR AS CFP IS CONCERNED THERE IS, AT CURRENT TANKER RATES, VIRTUALLY NO JUSTIFICATION FOR TRANSPORTATION DIFFERENTIAL, BUT IRAQIS REFUSING TO ACCEPT THIS.

2. DE MONTAIGUE MADE OBSERVATION THAT COMPANIES HAD MADE MAJOR MISTAKE IN PLACING PRIMARY IMPORTANCE ON ASSURING
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 BAGHDA 00034 150813Z

THEIR "ACCESS" TO CRUDE. HE BELIEVES PRICE SITUATION WOULD

BE IMPROVED IF COMPANIES WERE COMPLETELY FREE TO BARGAIN
WITH INDIVIDUAL PRODUCERS WHEN AND IF THEY PLEASED. THEIR
"ACCESS" WOULD BE GUARANTEED, HE BELIEVES, BY FACT THAT
THEY ARE ONLY COMPANIES WHICH CAN MARKET LARGE QUANTITIES.
CFP LOCAL REP POINTED OUT THAT WHILE 1973 ACCORD CLEARLY
GIVES CFP "RIGHT" TO PURCHASE ITS PREVIOUSLY OWNED PERCENT-
AGE OF ICOO PRODUCTION, GOI NOW INSISTS THAT IT IS "DUTY"
OF CFP TO DO SO.
LOWRIE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: PETROLEUM, NEGOTIATIONS, PRICES
Control Number: n/a
Copy: SINGLE
Draft Date: 11 JAN 1975
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: GolinoFR
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1975BAGHDA00034
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D750015-0159
From: BAGHDAD
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1975/newtext/t19750160/aaaacahl.tel
Line Count: 70
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION NEA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: GolinoFR
Review Comment: n/a
Review Content Flags:
Review Date: 14 MAY 2003
Review Event:
Review Exemptions: n/a
Review History: RELEASED <14 MAY 2003 by BoyleJA>; APPROVED <15 MAY 2003 by GolinoFR>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
05 JUL 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: CFP OIL PRICE NEGOTIATIONS
TAGS: ENRG, IZ
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006